WE CLAIM:

Claim 1.   A back-end-loaded participatory real estate equity protection contract, wherein:

a contract writer agrees to pay a beneficiary a payout,

the payout is determined by an index level representing a price level of real estate properties in a predetermined area where the beneficiary owns a real estate property,

the right of the beneficiary to receive the payout is exercised upon a sale of the real estate property during a term of the contract, and

the beneficiary agrees to pay the contract writer a fee.

Claim 2. The contract according to claim 1, wherein the beneficiary is entitled to the payout in case the index level decreased since the contract was entered into.

Claim 3. The contract according to claim 1, wherein the term of the contract ranges from two to ten years.

Claim 4. The contract according to claim 1, wherein the payout is a proportion of an appraised value of the real estate property at about a time when the contract was entered into.

Claim 5. The contract according to claim 1, wherein when the real estate index declines since a time the contract was entered into, the payout is a proportion of an appraised value of the real estate property at about the time when the contract was entered into and wherein the proportion is determined by a decline of the index level since the time when the contract was entered.

Claim 6. The contract according to claim 1, wherein the fee is paid upon the earlier of the sale of the real estate property or a refinancing of a mortgage loan on the real estate property.

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Claim 7. The contract according to claim 1, wherein a legally binding document is executed placing an encumbrance on a title of the real estate property requiring satisfaction of the fee payable to the contract writer upon the earlier of the sale of the real estate property or a refinancing of a mortgage loan on the real estate property.

Claim 8. The contract according to claim 1, wherein the beneficiary incurs interest on the fee payable starting at the end of the term of the contract until the fee has been paid in full, when the property has not been sold or refinanced during the term of the contract.

Claim 9. The contract according to claim 1, wherein the index is the index of an average sales price of residential real estate in a metropolitan statistical area where the real estate property is located.

Claim 10. The contract according to claim 1, wherein the index level of the index is measured from an end of the month, a quarter or a year in which the contract was entered into until the end of the month, the quarter or the year when the property is sold or when the contract expired.

Claim 11. The contract according to claim 1, wherein the beneficiary is entitled to the payout upon sale of the property or at an end of the term of the contract when the index level increased since a time when the contract was entered into.

Claim 12. The contract according to claim 11, wherein the payout is a fixed amount or a proportion of the fee payable by the beneficiary, or a proportion of an appraised value of the real estate property at about the time when the contract was entered into and wherein the

proportion is determined by an increase in the index level since the time when the contract was entered.

Claim 13. The contract according to claim 1, wherein the payout is limited to a certain maximum amount.

Claim 14. The contract according to claim 1, wherein when the real estate index declines since a time the contract was entered into, and the beneficiary has not sold the real estate property since a beginning of the term of the contract, the beneficiary is entitled to the payout during the term of the contract under conditions specified in the contract.

Claim 15. The contract according to claim 14, wherein the payout is a fixed amount or a proportion of the fee payable by the beneficiary, or a proportion of an appraised value of the real estate property at about the time when the contract was entered into and wherein the proportion is determined by an increase in the index level since the time when the contract was entered.

Claim 16. A contract wherein a contract writer agrees to pay a beneficiary a payout, wherein:

the payout is determined by an index level representing a price level of real estate properties in a predetermined area where the beneficiary owns a real estate property and where the right of the beneficiary to receive the payout is exercised upon a sale of the real estate property during a term of the contract, and

wherein the payout is only made at about a time when the index has increased since a time when the contract was entered into, and

the beneficiary agrees to pay the contract writer a fee.

Claim 17. The contract according to claim 16, wherein the payout is a fixed amount or a proportion of the fee paid by the beneficiary, or a proportion of an appraised value of the real estate property at about the time when the contract was entered into and wherein the proportion is determined by an increase in the index level since the time when the contract was entered.

Claim 18. The contract according to claim 16, wherein the fee is payable in whole or in part at the time the contract is entered into, or in whole or in part at the earlier of the sale of the real estate property or a refinancing of a mortgage loan on the real estate property.

Claim 19. The contract according to claim 16, wherein a legally binding document is executed placing an encumbrance on a title of the real estate property requiring satisfaction of the fee payable to the contract writer upon the earlier of the sale of the real estate property or a refinancing of a mortgage loan on the real estate property.

Claim 20. The contract according to claim 1, wherein methods and procedures of the contract are automated using computer software deployed on computer workstations, networks, or the Internet.

Claim 21. The contract according to claim 1, wherein the fee payable is pooled with other fee payables and converted into standard securities, backed by the fee payables, and issued in private or public capital markets.